

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY BUCHAREST IMMEDIATE

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LIMDIS

E.O. 11652: GDS

TAGS: OEXC, TGEN, RO

SUBJECT: US ROMANIAN SCIENTIFIC EXCHANGE PROGRAM

REF: BUCHAREST 5642

1. DEPARTMENT HAS BEEN DISCUSSING FUTURE OF SCIENTIFIC EXCHANGES WITH NSF FOR SOME TIME. IT HAD BEEN OUR IMPRESSION ALL ALONG THAT IN SPITE OF THE PROBLEMS ENCOUNTERED IN THE PAST, THE MEMORANDUM OF UNDERSTANDING (MOU) WOULD BE RENEWED ALONG THE LINES DISCUSSED AT THE FEBRUARY MID-TERM REVIEW. IT WAS CONTEMPLATED THAT A NEW MOU WOULD BE LESS AMBITIOUS AND WOULD EMPHASIZE WORKSHOPS RATHER THAN COOPERATIVE RESEARCH. HOWEVER, ON AUGUST 8,

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DURING A CALL BY AMBASSADOR NICOLAE TO REVIEW THE PRESENT STATUS OF US-ROMANIAN SCIENTIFIC COOPERATION, DR. BARTOCHA, NSF'S DIRECTOR OF INTERNATIONAL AFFAIRS, INFORMED NICOLAE THAT NSF WILL ALLOW THE MOU TO EXPIRE ON SEPTEMBER 21. HE SAIDTHAT NSF WOULD CONSIDER A RENEWAL-IN-SOME FORM IF THE DEPARTMENT OF STATE ENCOURAGED IT TO DO SO "FOR POLITICAL REASONS". NSF ASSURED NICOLAE THAT THE QUALITY OF

ROMANIAN SCIENCE WAS NOT IN QUESTION, BUT ONLY ROMANIA'S POOR PERFORMANCE UNDER THE CURRENT MOU.

2. DEPARTMENT WAS UNAWARE NSF WOULD TELL NICOLAE THAT IT WOULD ENTER INTO AN MOU ONLY IF STATE RECOMMENDED THAT NSF DO SO. DEPARTMENT HAS ALWAYS MAINTAINED THAT EAST-WEST S&T EXCHANGES MUST BE DEFENDED ON SCIENTIFIC AS WELL AS POLITICAL GROUNDS AND BELIEVED THAT NSF SAW ENOUGH POTENTIAL TO JUSTIFY RENEWAL ON SUCH TERMS.

3. NSF HAS NOW INFORMED US THAT ITS POSITION REGARDING FUTURE COOPERATION WITH ROMANIA IS THE SUBJECT OF A PAPER WHICH WILL BE DISCUSSED WITH THE DEPARTMENT IN THE NEAR FUTURE. IN THE MEANTIME, NSF RECOMMENDS, FOR PURPOSE OF YOUR ANTICIPATED TALK WITH AMBASSADOR BOGDAN ON SCIENTIFIC COOPERATION (REFTEL), THAT YOU INDICATE THE FOLLOWING: (A) NSF DOES NOT KNOW WHAT FUNDS WILL BE APPROPRIATED BY CONGRESS FOR SUPPORT OF NSF INTERNATIONAL ACTIVITIES IN FY79. (B) THE NSF BUDGET FOR FY79 WILL BE INCREASINGLY IN DEMAND FOR USE IN OTHER EXISTING AND NEW BILATERAL AGREEMENTS ON S&T COOPERATION. (C) THE NSF HOPES THAT THESE BUDGETARY UNKNOWN WHICH ARE CENTRAL TO ITS POSITION WILL BE RESOLVED IN THE NEAR FUTURE. (D) IN THE MEANTIME, NSF WOULD APPRECIATE RECEIVING FROM HIGH-LEVEL ROMANIAN AUTHORITIES A FIRM COMMITMENT FOR A MORE GENUINE COOPERATION. DEPARTMENT CONCURS WITH THIS CONFIDENTIAL

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APPROACH, AS BEST POSSIBLE UNDER PRESENT CIRCUMSTANCES.

4. DEPARTMENT INTENDS TO CONTINUE TO ENCOURAGE NSF TO CONCLUDE AN MOU, BUT ALONG THE LIMITED LINES AS EARLIER CONTEMPLATED. YOU MAY WISH TO QUERY BOGDAN ON WHAT SPECIFIC STEPS GOR IS PREPARED TO TAKE IN ORDER TO OVERCOME THE LEGITIMATE CONCERNS OF NSF.

5. ASSUMPTIONS ON PARA 4 REFTEL RE UNIVERSITY TO UNIVERSITY PROGRAMS CORRECT. HOWEVER, WE RECOMMEND YOU BROACH TWO ADDITIONAL TOPICS AS WELL: (A) WE FIND 90 DAY LIMITATION ON US STAYS OF MOST ROMANIAN FULBRIGHT RESEARCHERS IMPEDIMENT TO MEANINGFUL PROGRAM. WE PREFER MINIMUM STAY OF ONE SEMESTER. (B) IT HAS COME TO OUR ATTENTION THAT GOR IS HEAVILY TAXING SOME, PERHAPS ALL, EXCHANGE SCHOLARS IN US WHO RECEIVE DOLLAR STIPENDS. ACCORDING TO DECREE 233 OF 12/23/74 PUBLISHED IN BULETINUL OFICIAL AL REPUBLICII SOCIALISTE ROMANIA VOL 10, NO 165, PART I OF 12/26/74, PP4-7, SCHOLARS RECEIVING \$30 PER DIEM, OR \$900 PER MONTH AS FULBRIGHT LECTURERS DO, ARE REQUIRED TO PAY \$415 PER MONTH IN TAXES. DEPARTMENT HAS INFORMATION (POUCHED TO BUCHAREST AUGUST 4; ADDITIONAL

RELEVANT DOCUMENTS BEING HAND CARRIED BY FSIO CROUCH)  
THAT DEPUTY MINISTER GLIGA ASSURED AMBASSADOR BARNES IN  
1974 THAT THIS TAX WOULD NOT BE APPLIED TO SCHOLARS IN  
US UNDER OFFICIAL EXCHANGES. INDICATIONS ARE THAT THIS  
MAY HAVE INDEED BEEN THE CASE UNTIL THIS PAST ACADEMIC  
YEAR. (FYI: THREE OUT OF SIX FULBRIGHT LECTURERS

INDICATED THAT THIS YEAR THEY WERE REQUIRED TO PAY THIS  
TAX.) THIS IMPLIES A UNILATERAL ABROGATION BY GOR OF THE  
GLIGA-BARNES UNDERSTANDING. WE FEEL GOR TAXATION OF  
STIPENDS PAID OFFICIAL GRANTEES IS TANTAMOUNT TO TAXING  
USG. PLEASE ALSO EMPHASIZE TO BOGDAN THAT STIPENDS PAID  
ROMANIAN SCHOLARS HERE ARE AT LEVEL NEEDED TO COVER COSTS;  
IF TAX IS LEVIED, THEIR SCHOLARS HERE ARE IN TIGHT  
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FINANCIAL BIND. YOU MIGHT ALSO ADD SUCH POLICIES CAN  
HARDLY BE EXPECTED TO FACILITATE EXPANSION OF ROMANIAN  
STUDIES IN US, IN WHICH GOR HAS HIGH INTEREST.

6. YOU MAY DRAW ON PARAGRAPH 1 AS WELL AS PARAGRAPH 3 IN  
TALKING TO BOGDAN ABOUT NSF AND THE MOU ON THE ASSUMPTION  
THAT NICOLAE HAS REPORTED TO HIS GOVERNMENT ON HIS MEET-  
ING WITH BARTOCHA.  
CHRISTOPHER

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